



February 10, 2006

Marlene Dortch  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554  
*Via electronics transmission*

*Re: Public Comment Letter Endorsing Streamlined Franchise Rules,  
Competition in Broadband Video Services*  
**MB Docket No. 05-311**

Dear Commissioners:

As you well know, the market commonly referred to as cable TV now means much more than one-way video entertainment. The convergence of technologies has made cable TV companies, along with their actual and potential competitors, the prime providers of broadband services to all but the largest corporate customers.

On behalf of the thousands of small business owners and entrepreneurs represented by the Small Business & Entrepreneurship Council (SBE Council), I respectfully urge the FCC to do everything in its power to foster real competition in this marketplace. U.S. small businesses need the lower prices and faster deployment of advanced services that competition would promote. Replacing the archaic system of local cable TV franchises would be a logical and welcome accelerator for competition.

The local franchise system reflects cable TV monopolies that were prevalent 30 years ago, when most local franchise regulations were created. That was before cable providers faced even marginal competition from satellite broadcasters. Today, we have powerful potential competitors ready to offer “facilities-based competition,” to borrow a term from the telecom wars.

Verizon, AT&T and others are investing in fiber-optic links direct to homes and small businesses. This kind of connectivity would provide the small business/self-employed sector with the bandwidth to take advantage of today’s advanced on-line services and the high-speed services of the future. Affordable access to these services is fast becoming a prerequisite for U.S.-based small business owners and entrepreneurs who find themselves competing and partnering with businesses around the world.

It is not in the national interest to make it as difficult as possible for new competitors to offer direct broadband connections. Yet this is just what the local franchising system does. It's a system clearly designed to discourage competition. Forcing the likes of Verizon or SBC to apply for franchise agreements in every one of America's 30,000-plus cable TV jurisdictions is, quite simply, a waste of time, resources and opportunity. It could mean a delay of 10 to 15 years in the deployment of fiber connections to homes and small businesses.

Quite frankly, small businesses can't afford to wait that long and no valid reason exists that they should. In a recent article, SBE Council's chief economist Raymond J. Keating asked: "Why should companies have to go through the costly process of having to reach agreements municipality by municipality in order to get into the cable TV business? Such an arduous process isn't about consumers; it's about political power and turf."

Direct fiber connections and competitive choice could become a national reality in just a few years if the FCC replaces America's myriad local franchising arrangements with one national franchise requirement. By adopting the rules under Section 621(a), the FCC can eliminate unreasonable franchise delays and requirements, and encourage competition.

Strip away the local franchising barrier to competitive entry and I guarantee you that the cable companies will respond to the new competition with competitive offers of their own. What a welcome opportunity that would create for America's small business and entrepreneurial sector looking for cost-effective broadband services.

Thank you for considering the views of the SBE Council.

Sincerely,

A handwritten signature in black ink, appearing to read "Karen Kerrigan". The signature is fluid and cursive, with the first name "Karen" and last name "Kerrigan" clearly distinguishable.

Karen Kerrigan  
President & CEO

cc: John Norton  
Andrew Long